

## **1.0 PURPOSE AND NEED**

### **1.1 INTRODUCTION**

Spring Canyon Energy LLC (SCE), a wholly owned affiliate of Invenergy, applied to the Western Area Power Administration (Western) to interconnect a 130-megawatt (MW) wind power facility to Western's existing 230-kilovolt (kV) Sidney to North Yuma transmission line. The Spring Canyon wind project, formerly known as the Peetz Table wind project, would be constructed on private land located east of Peetz, in Logan County, Colorado (Figure 1.1). Western is the lead Federal agency for compliance with *the National Environmental Policy Act of 1969* (NEPA) as amended. There are no cooperating agencies. This environmental assessment (EA) was prepared in accordance with NEPA to assess the impacts of constructing and operating the wind project, which would be enabled by Western's execution of the interconnect agreement (a Federal action).

SCE is a private wind power development company with over 25 projects in the U.S. and Canada and a mission to develop, own, and operate projects throughout North America. SCE originates and develops wind projects from conception through completion and long-term operation. SCE has obtained a Power Purchase Agreement with Xcel Energy for 60-MW and would obtain a Power Purchase Agreement with one or more other power-distributors, who would purchase the power generated by the wind project and distribute it to their customers.

Western, an agency of the U.S. Department of Energy, is responsible for marketing Federal electric power and transmission service in 15 central and western states. Western markets power to over 600 customers including rural electric cooperatives, municipalities, public utility districts, Federal and state agencies, irrigation districts, and private utilities (Western 1999). The power customers, in turn, provide electric service to millions of retail consumers. Electric power marketed by Western is generated by the U.S. Bureau of Reclamation, U.S. Army Corps of Engineers, and the International Boundary and Water Commission, which operate 55 hydropower generating plants in Westerns' service area.

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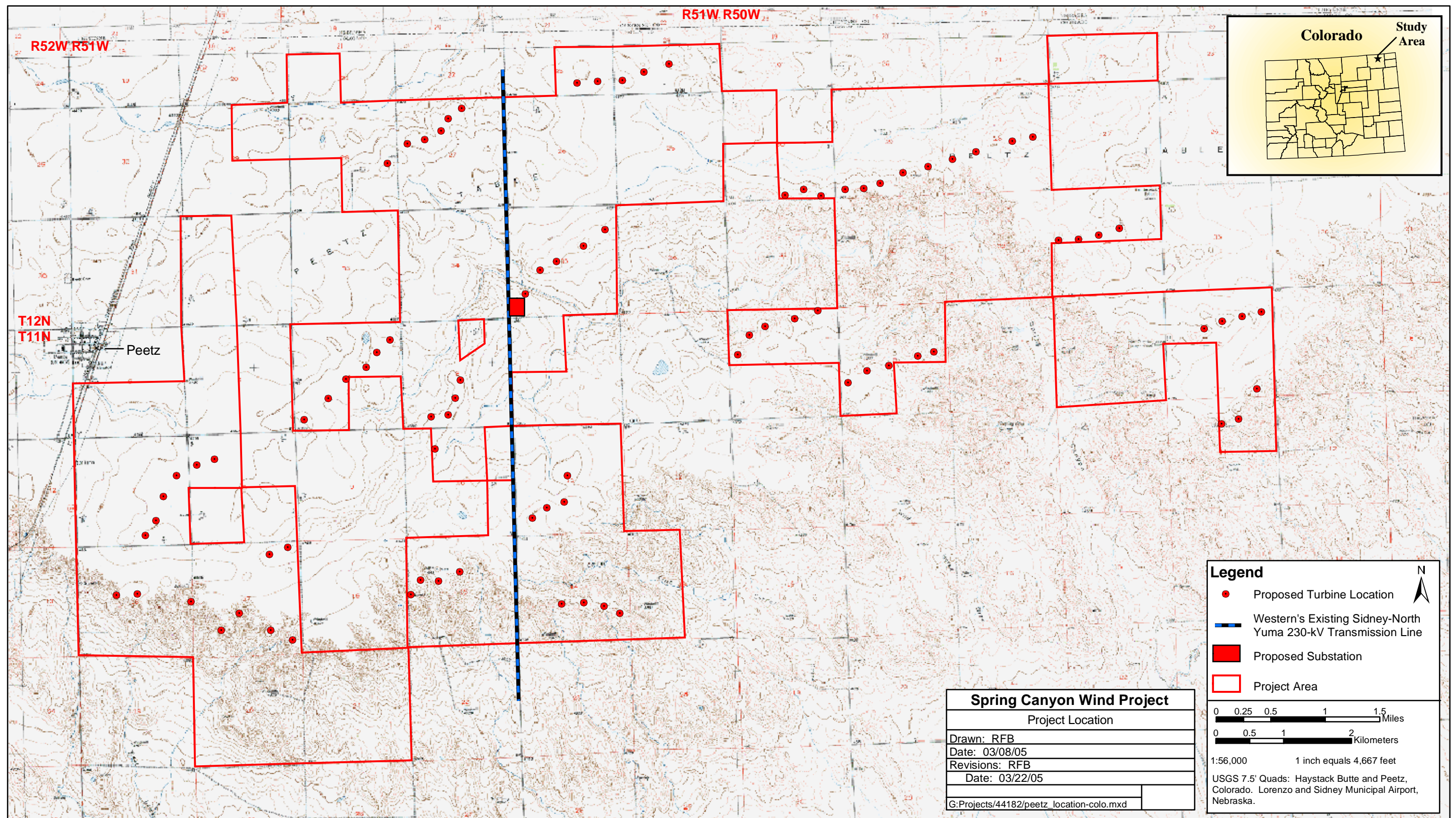


Figure 1.1 Project Location.



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## **1.2 PURPOSE AND NEED**

### **1.2.1 Federal Agency Action**

NEPA requires Federal decision-makers to consider the environmental effects of their actions. The agency responsible for complying with NEPA for this proposed action is Western. SCE applied to interconnect with Western's transmission system. Western must respond to SCE's request for an interconnection with its transmission system. In responding to this request, Western will apply the terms and conditions of its Open Access Transmission Tariff and Interconnection Guidelines in considering SEC's request. Western's decision is limited to deciding if the specific wind project proposed by the applicant can be interconnected with Western's transmission system. Western's approval of this interconnection would enable the Spring Canyon wind project to proceed.

### **1.2.2 Applicant's Purpose and Need**

Executing an interconnection agreement would be consistent with Western's mission, described above. The primary purpose of the Spring Canyon wind project is to provide wind-generated electricity from a site in Colorado to further the objectives of the President's National Energy Policy to diversify energy sources by making greater use of non-hydroelectric renewable sources such as wind power (National Energy Policy Development Group 2001) and to meet customer demand for inexpensive energy from renewable energy resources. The project also would meet the demand for renewable energy resources created by the recent successful ballot initiative in Colorado requiring utilities to generate 10% of the state's energy from renewable resources by 2015.

## **1.3 SCOPING**

Public and regulatory agency involvement is critical in analyzing the proposed Spring Canyon Wind Project. Western notified stakeholders of the project and solicited information on their

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concerns through scoping letters, dated January 6, 2005, and January 10, 2005 (see Appendix G). The parties contacted included federal, tribal, state, and local governments and other interested organizations and landowners. Western received direct responses from the following agencies and tribes: Oglala Sioux Tribe, Comanche Tribe of Oklahoma, U.S. Fish and Wildlife Service (FWS), Colorado State Historic Preservation Office (SHPO), and the Logan County Commissioners. The SHPO consultation and concurrence letters are included in Appendix H. Western also received responses from eight landowners. Western consulted with the FWS and Colorado Division of Wildlife (CDOW) in writing and informally, which included site visits and meetings. The FWS consultation letter and biological opinion are included in Appendix F, Addenda F-C and F-D, respectively. All correspondence from state and federal agencies and tribal governments is available.

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